(b) whether the present surge in sensex in due to speculative market trend?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Indian Banks' Association has informed that its Chief Executive has not made any comment on bank deposits being cannibalised by mutual funds and other attractive instruments.

(b) The movement of market indices are attributable to many factors, including, perception about the economy, and/or a sector or one or more index stocks, corporate performance, market sentiments and domestic and international events.

Participatory notes for encouraging FII flows

4015. SHRI SITARAM YECHURY: Will the Minister of FINANCE be pleased to state:

(a) whether the Expert Group on encouraging FII flows and checking the vulnerability of capital markets to speculative flows has recommended that Participatory Notes should be allowed.

(b) whether RBI representatives in the said group submitted a dissent note on this issue;

(c) whether Government have taken any decision on allowing Participatory Notes so far; and

(d) if so, on what basis?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Expert Group has recommended that the current dispensation for Participatory Notes may continue.

(b) Yes, Sir.

(c) and (d) The recommendations of the Expert Group are being examined by the Government.